

AMENDED IN ASSEMBLY AUGUST 24, 2012

AMENDED IN ASSEMBLY JULY 5, 2012

AMENDED IN ASSEMBLY JUNE 15, 2012

**SENATE BILL**

**No. 234**

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**Introduced by Senators Hancock and Pavley**  
**(Principal coauthor: Senator Rubio)**  
(Principal coauthor: Assembly Member Ma)

February 9, 2011

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An act to amend Section 39625.5 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 234, as amended, Hancock. Goods Movement Emission Reduction Program.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, statewide general election, authorizes the issuance of general obligation bonds for various transportation-related purposes, including reducing emissions and improving air quality in trade corridors. The State Air Resources Board is required to allocate the funds to be used for air quality purposes pursuant to specified requirements *through the Goods Movement Emission Reduction program*. Projects for the provision of on-shore electrical power for ocean freight carriers calling at the state's seaports to reduce the use of auxiliary and main engine ship power are authorized for funding.

This bill would require the state board to reimburse ~~uncontested~~ *allowable eligible* project costs on a quarterly basis, *as provided*. ~~This~~

~~bill would require the state board to revise specified guidelines and procedures to also consider a project fully operational if the facility providing on-shore electrical power has completed a building and safety inspection, and load bank testing.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 39625.5 of the Health and Safety Code  
2     is amended to read:  
3     39625.5. (a) (1) Upon appropriation by the Legislature from  
4     the funds made available by paragraph (2) of subdivision (c) of  
5     Section 8879.23 of the Government Code, the state board shall  
6     allocate funds on a competitive basis for projects that are shown  
7     to achieve the greatest emission reductions from each emission  
8     source identified in subdivision (c) of Section 39625.1, not  
9     otherwise required by law or regulation, from activities related to  
10    the movement of freight along California's trade corridors,  
11    commencing at the state's airports, seaports, and land ports of  
12    entry.  
13    (2) Projects eligible for funding pursuant to paragraph (1) shall  
14    include, but are not limited to, the following:  
15    (A) The replacement, repower, or retrofit of heavy-duty diesel  
16    trucks.  
17    (B) The replacement, repower, or retrofit of diesel locomotive  
18    engines, with priority given to switching locomotive engines,  
19    provided that before any project is authorized for a locomotive  
20    engine operated and controlled by a railroad company that has  
21    entered into a memorandum of understanding or any other  
22    agreement with a state or federal agency, a local air quality  
23    management district, or a local air pollution control district,  
24    including, but not limited to, the ARB/Railroad Statewide  
25    Agreement Particulate Emissions Reductions Program at California  
26    Rail Yards, dated June 2005, the state board shall determine that  
27    the emission reductions that would be achieved by the locomotive  
28    engine are not necessary to satisfy any mandated emission  
29    reduction requirement under any such agreement.  
30    (C) The replacement, repower, or retrofit of harbor craft that  
31    operates at the state's seaports.

1 (D) The provision of on-shore electrical power for ocean freight  
2 carriers calling at the state's seaports to reduce the use of auxiliary  
3 and main engine ship power.

4 (E) Mobile or portable shoreside distributed power generation  
5 projects that eliminate the need to use the electricity grid.

6 (F) The replacement, repower, or retrofit of cargo handling  
7 equipment that operates at the state's seaports and rail yards.

8 (G) Electrification infrastructure to reduce engine idling and  
9 use of internal combustion auxiliary power systems at truck stops,  
10 intermodal facilities, distribution centers, and other places where  
11 trucks congregate.

12 (b) (1) The state board shall allocate funds in a manner that  
13 gives priority to emission reduction projects that achieve the  
14 earliest possible reduction of health risk in communities with the  
15 highest health risks from goods movement facilities.

16 (2) In evaluating which projects to fund, the state board shall,  
17 at a minimum, consider all of the following criteria:

18 (A) The magnitude of the emission reduction.

19 (B) The public health benefits of the emission reduction.

20 (C) The cost-effectiveness and sustainability of the emissions  
21 reductions.

22 (D) The severity and magnitude of the emission source's  
23 contributions to emissions.

24 (E) Regulatory and State Implementation Plan requirements,  
25 and the degree of surplus emissions to be reduced.

26 (F) The reduction in greenhouse gases, consistent with and  
27 supportive of emission reduction goals, consistent with existing  
28 law.

29 (G) The extent to which advanced emission reduction  
30 technologies are to be used.

31 (H) The degree to which funds are leveraged from other sources.

32 (I) The degree to which the project reduces air pollutants or air  
33 contaminants in furtherance of achieving state and federal ambient  
34 air quality standards and reducing toxic air contaminants.

35 (J) The total emission reductions a project would achieve over  
36 its lifetime per state dollar invested.

37 (K) Whether an emissions reduction is likely to occur in a  
38 location where emissions sources in the area expose individuals  
39 and population groups to elevated emissions that result in adverse

1 health effects and contribute to cumulative human exposures to  
2 pollution.

3 (c) The state board shall ensure that state bond funds are  
4 supplemented and matched with funds from federal, local, and  
5 private sources to the maximum extent feasible.

6 (d) For a project described in subparagraph (D) of paragraph  
7 (2) of subdivision (a), ~~all of the following apply:~~

8 ~~(1) The that is in substantial compliance with the milestones~~  
9 ~~identified in the Supplemental Procedures for Ships at Berth and~~  
10 ~~Cargo Handling Equipment Projects the state board shall reimburse~~  
11 ~~uncontested allowable eligible project costs on a quarterly basis.~~  
12 ~~The state board may withhold the final 10 percent of reimbursable~~  
13 ~~costs until the project is demonstrated to be powering a vessel~~  
14 ~~docked at berth.~~

15 ~~(2) The state board shall revise the Proposition 1B: Goods~~  
16 ~~Movement Emission Reduction Program Final 2010 Guidelines~~  
17 ~~for Implementation and Supplemental Procedures for Ships at~~  
18 ~~Berth and Cargo Handling Equipment Projects to also consider a~~  
19 ~~project fully operational if the facility providing on-shore electrical~~  
20 ~~power has completed a building and safety inspection, and load~~  
21 ~~bank testing.~~